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March 2, 2011

VIA ELECTRONIC FILING

Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: Notice of Ex Parte Communication

Applications Filed by Qwest Communications International Inc. and CenturyTel, Inc. d/b/a/ CenturyLink for Consent to Transfer of Control

WC Docket No. 10-110

Dear Ms. Dortch:

On February 22, 2011, representatives of Cablevision Systems Corporation ("Cablevision") met with the staff of the Wireline Competition Bureau regarding the above-captioned proceeding and proposed several merger conditions. Those conditions were summarized in Cablevision's February 23 ex parte filing in this proceeding. The attached paper provides further detail on Cablevision's proposed conditions and the rationales therefor.

Pursuant to section 1.1206(b) of the Commission's rules, an electronic copy of this letter and the attachment is being filed electronically with the Office of the Secretary and served electronically on the Commission staff listed below.

Any questions concerning this submission should be addressed to the undersigned.

Sincerely,

Howard J. Symons

Howard J. Symons

Attachment

cc: Nicholas Alexander
Amy Bender
William Dever
Alexis Johns
Carol Simpson

Ex Parte Presentation of Cablevision Systems Corporation and Bresnan Communications LLC

WC Docket No. 10-110

Applications Filed by Qwest Communications International Inc. and CenturyTel, Inc. d/b/a/ CenturyLink for Consent to Transfer of Control

Overview

Bresnan Communications, LLC ("Bresnan") is a competitive local exchange carrier ("CLEC") in four western states – Colorado, Montana, Utah, and Wyoming.[1/] Bresnan passes approximately 632,000 households and operates in 148 communities in the four states, providing voice services to approximately 130,000 customers and broadband services to approximately 220,000 customers. Combined, Qwest and CenturyLink compete directly with Bresnan in over 99% of Bresnan's service territory. In most of these communities, Bresnan is the only facilities-based wireline competitor to Qwest or CenturyLink. To compete effectively, Bresnan must purchase interconnection and other wholesale services from Qwest and CenturyLink.

Bresnan's past experience with CenturyTel (CenturyLink's predecessor) shows that CenturyLink has impeded the development of competition by, among other things, imposing unusually high interconnection and transaction costs, and adopting inefficient operational policies and practices that unduly raise rivals' costs. This merger would create the third largest ILEC in the nation with 17 million access lines. While CenturyLink and Qwest have asserted a number of public interest benefits from their proposed merger, a combined company of the size created by the proposed merger also has an enhanced incentive and ability to discriminate against competitors.

The Commission has recognized in prior merger proceedings that these large mergers create enhanced opportunities for anti-competitive activity, which can reduce choice and increase costs for consumers. This proceeding presents an opportunity to address certain legacy operational and policy issues that impaired competing carriers in the CenturyLink territories from competing on a level playing field, denying consumers the benefits and choice of robust competition and to prevent those practices from being extended as a consequence of the proposed combination. To ensure that this merger does not impede competition anywhere in the merged entity's footprint, the Commission should consider incorporating the following conditions into the order approving the merger:

- **Qwest/CenturyLink should provide efficient interconnection at a single point of interconnection ("POI") in each LATA and eliminate transit charges for termination of competitors' traffic in the combined territory of the merged entity within a single LATA.**

FCC rules provide that a competitive carrier may request interconnection from an ILEC at "any technically feasible point," which may be a single point of interconnection ("POI") in a Local

[1/] Bresnan is a wholly-owned subsidiary of Cablevision Systems Corp., which acquired Bresnan and its affiliated cable companies in December 2010.

Access and Transport Area ("LATA") because such an arrangement is most efficient.[2/] Because post-merger CenturyLink and Qwest will be a single carrier, the merged company should be required to deliver traffic to a single POI in the LATA for termination anywhere within that LATA, and without imposing transit charges.[3/] The merged entity should not only benefit from efficiencies of scale resulting from the merger, but it should also reflect those efficiencies in its interconnection relationships by allowing competitors to employ a single POI for the exchange of traffic in each LATA.

- **Qwest/CenturyLink should adopt the superior Qwest OSS (or its equivalent) throughout the territory of the merged entity, with a requirement that OSS service levels in the current Qwest territory not be degraded.**

In filings with the Commission, CenturyLink and Qwest have asserted that the combined entity "plans to continue operating both CenturyLink and Qwest existing OSS uninterrupted for the immediate future until it completes its evaluation of the best options for all stakeholders" and that "[i]n the longer term, post-merger CenturyLink is dedicated to having industry-leading OSS."[4/] The companies should be required to add substance to this assertion by committing, as a condition of the merger (1) to continue use of the Qwest OSS in current Qwest territories, without degradation to the Qwest OSS's capabilities; (2) to expeditiously complete the upgrade of CenturyLink's OSS systems to the level of Embarq's, as required by the Commission in the Embarq-CenturyLink merger,[5/] and (3) in a reasonable period of time after approval, deploy a single, integrated OSS throughout the merged entities' footprint that is the equivalent of the Qwest OSS or better.

[2/] *See Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services In Texas,* 15 FCC Rcd 18354, ¶ 78 (2000) ("Section 251, and our implementing rules, require an incumbent LEC to allow a competitive LEC to interconnect at any technically feasible point. This means that a competitive LEC has the option to interconnect at only one technically feasible point in each LATA."). *See also* 47 U.S.C § 251(c)(2); 47 C.F.R. §51.305(a)(2).

[3/] Today Bresnan maintains one POI for every Bresnan switch per LATA for each ILEC regardless of whether the two ILECs operate in the same LATA. For example, in LATA 648 (Great Falls, MT), Bresnan has a POI with Qwest in Missoula another POI with CenturyLink in Kalispell for the same LATA and the same Bresnan switch. Bresnan must purchase Special Access/Private Line facilities from Missoula to its Kalispell head end, and then purchase another Special Access/Private Line facility to reach CenturyLink's Kalispell wire center. But if these ILECs were a single company, Bresnan would only need a single POI in Missoula and to the extent needed, purchase direct trunks to the Kalispell End Office out of the Qwest Interconnection Agreement at a fraction of Bresnan's current expense (and with fewer breakpoints). The current interconnection inefficiency will only be exacerbated if the merged entity is permitted to treat the Qwest territory as a separate entity.

[4/] *Applications Filed by Qwest Communications International Inc. and CenturyTel, Inc. d/b/a/ CenturyLink for Consent to Transfer of Control*, WC Docket No. 10-110, Reply Comments of CenturyLink Inc. and Qwest Communications International Inc., at 20 (July 27, 2010).

[5/] *Applications Filed for the Transfer of Control of Embarq Corporation to CenturyTel, Inc*., Memorandum Opinion and Order, 24 FCC Rcd 8741, ¶¶ 45, 49 (2009).

In Bresnan's experience, the Qwest OSS is superior to the CenturyLink OSS, even after the latter has been upgraded to the former Embarq OSS. While Embarq's electronic systems represent an improvement over the often manual systems of the former CenturyTel, they remain inferior to the e-bonding systems employed by the Qwest OSS that allow for even faster and more accurate exchange of information and forms between Qwest and competitive carriers. For example, when CenturyLink rejects a port request it does not typically list all of the reasons for such rejection. Bresnan may have to resubmit a port order several times to address all port issues. This causes unnecessary delays in the porting process. By contrast, Qwest lists all of the reasons for a particular port rejection, which is far more efficient. In addition, Qwest's process for accepting supplemental orders on a pending port is more lenient than CenturyLink's process, reducing the risk of disconnects with Qwest.

For these reasons, the merger parties' commitment to keep *existing* wholesale OSS systems in place for at least two years following close of the merger, or until July 1, 2013 at the earliest,[6/] is insufficient. To more fully reflect the economies and synergies asserted by the merger parties, the Commission should place the merged entity on a path to upgrade OSS on a company-wide basis to the equivalent of the Qwest OSS or better within a reasonable period of time as determined by the Commission. Any proposed OSS changes should be filed with the Wireline Competition Bureau and subject to review by the Bureau.[7/] Any such changes should also be made available for review by interested parties prior to implementation.

- **Qwest/CenturyLink should eliminate discriminatory service order charges for local number portability and customer service record orders submitted by competitors.**

Consistent with the Commission's policy to make local number portability ("LNP") as simple and easy as possible for consumers, Qwest imposes no charge for service orders associated with processing an LNP local service request ("LSR") when a competitor requests to port a customer's number. In contrast, CenturyLink charges competitors $31.50 per service order in Montana and $20.00 in Colorado for LNP LSRs. These charges are unavoidable as CenturyLink will not accept an LSR without a service order. Likewise, CenturyLink charges $5.25 in Colorado and Montana for service orders associated with requests for customer service records that serve as precursors to porting requests. Qwest does not impose similar charges on Bresnan. Accordingly, the Commission should condition the merger on CenturyLink adopting Qwest's more reasonable practices with regard to such charges in order to extend the merger benefits to competitors and ultimately consumers.

The service order charges imposed on competing carriers by CenturyLink are excessive and violate the Commission's requirement that carriers not recover their number porting costs

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[6/] Letter from Karen Brinkmann, Latham & Watkins LLP to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-110, at 4 Jan. 12, 2011 (filed with the FCC in WC Docket No. 10-110).

[7/] *See id*. at fn. 7 (noting commitment to continue testing the system "until mutually negotiated acceptance criteria are satisfied").

through charges to other carriers.[8/] CenturyLink's practices stand in marked contrast to Qwest's adherence to FCC guidance to recover its LNP costs through tariffed end-user charges.[9/] CenturyLink's discriminatory LNP service order charges serve only to deter competitors' acquisition of customers through local number porting and should be required to be eliminated by the merged company as a condition of the merger.

- **The merger should be conditioned on the merged entity no longer asserting status as a rural telephone company in any part of its combined territory to avoid the requirements of the 1996 Telecommunications Act.**

Under the Communications Act and FCC rules, rural incumbent local exchange carriers ("RLECs") enjoy significant advantages over CLECs seeking to compete with them. In particular, the "rural exemption" in section 251(f) of the Communications Act[10/] allows RLECs to forgo section 251(c) obligations of the Act to provide interconnection at any technically feasible point at cost-based TELRIC rates.

Invoking the rural exemption, CenturyLink has forced Bresnan to use traffic exchange agreements containing significantly higher tariffed special access rates than would otherwise apply under an interconnection agreement governed by section 251(c) of the Act. As shown in the attached chart, CenturyLink's charges for transport are as much as 23 times the charge available to Bresnan under its Qwest interconnection agreements. In Colorado, for example, CenturyLink charges Bresnan $17.00 per mile for DS1 trunked transport, while the Qwest agreement calls for charges between $0.73 and $1.27 per mile for the same service. In Montana, CenturyLink charges Bresnan $173 per mile for DS3 trunked transport, while Qwest charges between $14.34 and $23.85 for the same service.

The rural exemption is intended to recognize the lack of scale and scope of most rural LECs, and accordingly relieve them of the potential cost and burden of adopting the requirements to support a competitive market. After the merger, the combined company will be the third largest ILEC in the country, with a scale and scope exceeding that of any of its competitors. In this post-merger environment, these practices are no longer acceptable.

[8/] *See Telephone Number Portability*, Memorandum Opinion and Order and Order on Reconsideration and Order on Application for Review, 17 FCC Rcd 2578, ¶ 62 (2002) (clarifying that FCC orders allow ILECs to assess LNP charges on other carriers only where the other carrier is a reseller of the ILEC's service, is a purchaser of unbundled network elements from the ILEC, or where the ILEC performs query services for the other carrier). None of those circumstances apply to CenturyLink's LSR and CSR charges levied against Bresnan.

[9/] *See, e.g., Local Number Portability Porting Interval and Validation Requirements*, Report and Order and Further Notice of Proposed Rulemaking, 24 FCC Rcd 6084, ¶ 14 (2009) ("[T]he Commission intended carriers to recover ongoing costs incurred to provide number portability as a normal network feature through existing mechanisms available for the recovery of general costs of providing service.").

[10/] 47 U.S.C. § 251(f).

	Qwest Colorado ICA			CenturyLink Colorado Access Tariff			Qwest Montana ICA			CenturyLink Montana Access Tariff		
	NRC	MRC		NRC	MRC		NRC	MRC		NRC	MRC	
		Fixed	Per Mile		Fixed	Per Mile		Fixed	Per Mile		Fixed	Per Mile
Entrance Facilities												
DS1 (fixed & per mile)	$ 111.77	$ 57.92	$ 1.29	$ 400.00	$ 150.00	$ 35.00	$ 310.02	$ 100.78		$ 400.00	$ 150.00	$ 35.00
DS3 (fixed & per mile)	$ 277.01	$ 188.80	$ 8.97	$ 750.00	$ 2,400.00	$ 340.00	$ 473.12	$ 601.48		$ 750.00	$ 2,400.00	$ 340.00
Direct Trunked Transport												
DS1 (fixed & per mile)												
Over 0 to 8 Miles		$ 26.76	$ 1.27		$ 150.00	$ 17.00		$ 36.35	$ 2.71		$ 150.00	$ 10.00
Over 8 to 25 Miles		$ 26.52	$ 1.23		"	"		$ 37.26	$ 2.71		"	"
Over 25 to 50 Miles		$ 27.05	$ 0.87		"	"		$ 39.21	$ 2.07		"	"
Over 50 Miles		$ 27.63	$ 0.73		"	"		$ 37.78	$ 0.89		"	"
DS3 (fixed & per mile)												
Over 0 to 8 Miles		$ 173.55	$ 37.95		$ 550.00	$ 173.00		$ 233.50	$ 14.34		$ 500.00	$ 173.00
Over 8 to 25 Miles		$ 176.21	$ 14.89		"	"		$ 237.14	$ 14.99		"	"
Over 25 to 50 Miles		$ 162.20	$ 17.80		"	"		$ 218.03	$ 23.85		"	"
Over 50 Miles		$ 170.78	$ 12.15		"	"		$ 233.34	$ 16.75		"	"